Increase in Prices of Bulk Drugs and Formulations

512. SHRI RAJNI RANJAN SAHU :
SHRI H. HANUMANTHAPPA :
SHRIMATI SATYA BAHIN :

Will the PRIME MINISTER be pleased to refer to USQ 1136 given in Rajya Sabha on 7-5-1992 and state :

(a) whether it is a fact that stocks of intermediates with the producers on which lower customs duty was paid; latest consumption co-efficients of major inputs and the latest CIF prices were not taken into consideration while increasing the prices in 1990-91 and 1991-92;

(b) if so, the reasons therefor;

(c) whether it is a fact that the producers were benefited by crores of rupees in the process, and if so, what steps have been taken to investigate the matter;

(d) whether any *suo-moto* increase in the prices, of formulations was allowed in 1990-91 and 1991-92 and if so, what are the details indicating the names of producers and formulations earlier prices, revised prices, bulk drug rate allowed in *suo moto* increase in prices; and

(e) what were the reasons for allowing that increase ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) to (c) The Government does not monitor the inventory carried by manufacturers/stockists etc. whose number runs into several thousands nor it is physically possible to do so. However, consumption co efficients as taken by BICP and available CIF prices are considered while revising the prices in accordance with the price-escalation formula given by BICP.

(d) The prices of formulations have been worked out on *suo-moto* basis and notified in the official Gazette in cases of ceiling packs from time to time.

(e) Price revision resulting in increases are in accordance with the provisions of DPCO 1987 and has been given to ensure availability and to avoid shortages.

Amount due from M/s. Hoechst

513. SHRIMATI KAILASHPATI : Will the PRIME MINISTER be pleased to refer to the answer to unstarred Question No. 1134 given in Rajya Sabha on 7-5-92 and state :

(a) what are the details of the consent order passed by the Bombay High Court in the case of M/s. Hoechst and the reasons that government became a Party to the consent order;

(b) whether opinion of the Ministry of Law and Justice was taken before becoming a party to the consent order;

(c) whether the process of getting data, giving hearing and finalising the liabilities is over;

(d) since when the recovery of liability is pending and what is the amount due to be recovered on 30th Oct., 1992; and

(e) what is the present position of the case ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) and (b) The High Court of Bombay was of the view that it was necessary to finalise the liability against M/s. Hoechst after the required hearing and at their instance a schedule was drawn up for this purpose. Accordingly the Bombay High Court passed orders on 8-3-91. Copy of the order is attached as statement. (*See* below).

(c) to (e) The process of giving data and giving the details to M/s. Hoechst is almost over.